



General Assembly

February Session, 2024

Substitute Bill No. 5481



AN ACT PROVIDING GRANTS FOR TOURISM PUBLIC SAFETY FROM REVENUE COLLECTED FROM THE OCCUPANCY AND MEALS TAX.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (1) of section 12-408 of the 2024 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2024, and applicable to sales occurring on or after*
4 *July 1, 2024*):

5 (1) (A) For the privilege of making any sales, as defined in
6 subdivision (2) of subsection (a) of section 12-407, at retail, in this state
7 for a consideration, a tax is hereby imposed on all retailers at the rate of
8 six and thirty-five-hundredths per cent of the gross receipts of any
9 retailer from the sale of all tangible personal property sold at retail or
10 from the rendering of any services constituting a sale in accordance with
11 subdivision (2) of subsection (a) of section 12-407, except, in lieu of said
12 rate, the rates provided in subparagraphs (B) to (I), inclusive, of this
13 subdivision;

14 (B) (i) At a rate of fifteen per cent with respect to each transfer of
15 occupancy, from the total amount of rent received by a hotel or lodging
16 house for the first period not exceeding thirty consecutive calendar
17 days;

18 (ii) At a rate of eleven per cent with respect to each transfer of

19 occupancy, from the total amount of rent received by a bed and
20 breakfast establishment for the first period not exceeding thirty
21 consecutive calendar days;

22 (C) With respect to the sale of a motor vehicle to any individual who
23 is a member of the armed forces of the United States and is on full-time
24 active duty in Connecticut and who is considered, under 50 App USC
25 574, a resident of another state, or to any such individual and the spouse
26 thereof, at a rate of four and one-half per cent of the gross receipts of any
27 retailer from such sales, provided such retailer requires and maintains a
28 declaration by such individual, prescribed as to form by the
29 commissioner and bearing notice to the effect that false statements made
30 in such declaration are punishable, or other evidence, satisfactory to the
31 commissioner, concerning the purchaser's state of residence under 50
32 App USC 574;

33 (D) (i) With respect to the sales of computer and data processing
34 services occurring on or after July 1, 2001, at the rate of one per cent, and
35 (ii) with respect to sales of Internet access services, on and after July 1,
36 2001, such services shall be exempt from such tax;

37 (E) (i) With respect to the sales of labor that is otherwise taxable under
38 subparagraph (C) or (G) of subdivision (2) of subsection (a) of section
39 12-407 on existing vessels and repair or maintenance services on vessels
40 occurring on and after July 1, 1999, such services shall be exempt from
41 such tax;

42 (ii) With respect to the sale of a vessel, a motor for a vessel or a trailer
43 used for transporting a vessel, at the rate of two and ninety-nine-
44 hundredths per cent, except that the sale of a vessel shall be exempt from
45 such tax if such vessel is docked in this state for sixty or fewer days in a
46 calendar year;

47 (iii) With respect to the sale of dyed diesel fuel, as defined in
48 subsection (d) of section 12-487, sold by a marine fuel dock exclusively
49 for marine purposes, at the rate of two and ninety-nine-hundredths per

50 cent;

51 (F) With respect to patient care services for which payment is
52 received by the hospital on or after July 1, 1999, and prior to July 1, 2001,
53 at the rate of five and three-fourths per cent and on and after July 1, 2001,
54 such services shall be exempt from such tax;

55 (G) With respect to the rental or leasing of a passenger motor vehicle
56 for a period of thirty consecutive calendar days or less, at a rate of nine
57 and thirty-five-hundredths per cent;

58 (H) With respect to the sale of (i) a motor vehicle for a sales price
59 exceeding fifty thousand dollars, at a rate of seven and three-fourths per
60 cent on the entire sales price, (ii) jewelry, whether real or imitation, for
61 a sales price exceeding five thousand dollars, at a rate of seven and
62 three-fourths per cent on the entire sales price, and (iii) an article of
63 clothing or footwear intended to be worn on or about the human body,
64 a handbag, luggage, umbrella, wallet or watch for a sales price
65 exceeding one thousand dollars, at a rate of seven and three-fourths per
66 cent on the entire sales price. For purposes of this subparagraph, "motor
67 vehicle" has the meaning provided in section 14-1, but does not include
68 a motor vehicle subject to the provisions of subparagraph (C) of this
69 subdivision, a motor vehicle having a gross vehicle weight rating over
70 twelve thousand five hundred pounds, or a motor vehicle having a
71 gross vehicle weight rating of twelve thousand five hundred pounds or
72 less that is not used for private passenger purposes, but is designed or
73 used to transport merchandise, freight or persons in connection with
74 any business enterprise and issued a commercial registration or more
75 specific type of registration by the Department of Motor Vehicles;

76 (I) With respect to the sale of meals, as defined in subdivision (13) of
77 section 12-412, sold by an eating establishment, caterer or grocery store;
78 and spirituous, malt or vinous liquors, soft drinks, sodas or beverages
79 such as are ordinarily dispensed at bars and soda fountains, or in
80 connection therewith; in addition to the tax imposed under
81 subparagraph (A) of this subdivision, at the rate of one per cent;

82 (J) The rate of tax imposed by this chapter shall be applicable to all
83 retail sales upon the effective date of such rate, except that a new rate
84 that represents an increase in the rate applicable to the sale shall not
85 apply to any sales transaction wherein a binding sales contract without
86 an escalator clause has been entered into prior to the effective date of the
87 new rate and delivery is made within ninety days after the effective date
88 of the new rate. For the purposes of payment of the tax imposed under
89 this section, any retailer of services taxable under subdivision (37) of
90 subsection (a) of section 12-407, who computes taxable income, for
91 purposes of taxation under the Internal Revenue Code of 1986, or any
92 subsequent corresponding internal revenue code of the United States,
93 as amended from time to time, on an accounting basis that recognizes
94 only cash or other valuable consideration actually received as income
95 and who is liable for such tax only due to the rendering of such services
96 may make payments related to such tax for the period during which
97 such income is received, without penalty or interest, without regard to
98 when such service is rendered;

99 (K) (i) For calendar quarters ending on or after September 30, 2019,
100 the commissioner shall deposit into the regional planning incentive
101 account, established pursuant to section 4-66k, six and seven-tenths per
102 cent of the amounts received by the state from the tax imposed under
103 subparagraph (B) of this subdivision and ten and seven-tenths per cent
104 of the amounts received by the state from the tax imposed under
105 subparagraph (G) of this subdivision;

106 (ii) For calendar quarters ending on or after September 30, 2018, the
107 commissioner shall deposit into the Tourism Fund established under
108 section 10-395b ten per cent of the amounts received by the state from
109 the tax imposed under subparagraph (B) of this subdivision;

110 (L) (i) For calendar months commencing on or after July 1, 2021, but
111 prior to July 1, 2023, the commissioner shall deposit into the municipal
112 revenue sharing account established pursuant to section 4-66l seven and
113 nine-tenths per cent of the amounts received by the state from the tax
114 imposed under subparagraph (A) of this subdivision, including such

115 amounts received on or after July 1, 2023, attributable to the fiscal year
116 ending June 30, 2023; and

117 (ii) For calendar months commencing on or after July 1, 2023, the
118 commissioner shall deposit into the Municipal Revenue Sharing Fund
119 established pursuant to section 4-66p seven and nine-tenths per cent of
120 the amounts received by the state from the tax imposed under
121 subparagraph (A) of this subdivision; [and]

122 (M) (i) For calendar months commencing on or after July 1, 2017, the
123 commissioner shall deposit into the Special Transportation Fund
124 established under section 13b-68 seven and nine-tenths per cent of the
125 amounts received by the state from the tax imposed under
126 subparagraph (A) of this subdivision;

127 (ii) For calendar months commencing on or after July 1, 2018, but
128 prior to July 1, 2019, the commissioner shall deposit into the Special
129 Transportation Fund established under section 13b-68 eight per cent of
130 the amounts received by the state from the tax imposed under
131 subparagraphs (A) and (H) of this subdivision on the sale of a motor
132 vehicle;

133 (iii) For calendar months commencing on or after July 1, 2019, but
134 prior to July 1, 2020, the commissioner shall deposit into the Special
135 Transportation Fund established under section 13b-68 seventeen per
136 cent of the amounts received by the state from the tax imposed under
137 subparagraphs (A) and (H) of this subdivision on the sale of a motor
138 vehicle;

139 (iv) For calendar months commencing on or after July 1, 2020, but
140 prior to July 1, 2021, the commissioner shall deposit into the Special
141 Transportation Fund established under section 13b-68 twenty-five per
142 cent of the amounts received by the state from the tax imposed under
143 subparagraphs (A) and (H) of this subdivision on the sale of a motor
144 vehicle;

145 (v) For calendar months commencing on or after July 1, 2021, but

146 prior to July 1, 2022, the commissioner shall deposit into the Special
147 Transportation Fund established under section 13b-68 seventy-five per
148 cent of the amounts received by the state from the tax imposed under
149 subparagraphs (A) and (H) of this subdivision on the sale of a motor
150 vehicle; and

151 (vi) For calendar months commencing on or after July 1, 2022, the
152 commissioner shall deposit into the Special Transportation Fund
153 established under section 13b-68 one hundred per cent of the amounts
154 received by the state from the tax imposed under subparagraphs (A)
155 and (H) of this subdivision on the sale of a motor vehicle; and

156 (N) For calendar quarters ending on or after September 30, 2024, the
157 commissioner shall deposit into the tourism public safety account
158 established under section 4 of this act twenty-five per cent of the
159 amounts received by the state from the tax imposed under
160 subparagraph (B) of this subdivision and twenty-five per cent of the
161 amounts received by the state from the tax imposed under
162 subparagraph (I) of this subdivision.

163 Sec. 2. Subdivision (1) of section 12-411 of the 2024 supplement to the
164 general statutes is repealed and the following is substituted in lieu
165 thereof (*Effective July 1, 2024, and applicable to sales occurring on or after*
166 *July 1, 2024*):

167 (1) (A) An excise tax is hereby imposed on the storage, acceptance,
168 consumption or any other use in this state of tangible personal property
169 purchased from any retailer for storage, acceptance, consumption or any
170 other use in this state, the acceptance or receipt of any services
171 constituting a sale in accordance with subdivision (2) of subsection (a)
172 of section 12-407, purchased from any retailer for consumption or use in
173 this state, or the storage, acceptance, consumption or any other use in
174 this state of tangible personal property which has been manufactured,
175 fabricated, assembled or processed from materials by a person, either
176 within or without this state, for storage, acceptance, consumption or any
177 other use by such person in this state, to be measured by the sales price

178 of materials, at the rate of six and thirty-five-hundredths per cent of the
179 sales price of such property or services, except, in lieu of said rate:

180 (B) (i) At a rate of fifteen per cent of the rent paid to a hotel or lodging
181 house for the first period not exceeding thirty consecutive calendar
182 days;

183 (ii) At a rate of eleven per cent of the rent paid to a bed and breakfast
184 establishment for the first period not exceeding thirty consecutive
185 calendar days;

186 (C) With respect to the storage, acceptance, consumption or use in
187 this state of a motor vehicle purchased from any retailer for storage,
188 acceptance, consumption or use in this state by any individual who is a
189 member of the armed forces of the United States and is on full-time
190 active duty in Connecticut and who is considered, under 50 App USC
191 574, a resident of another state, or to any such individual and the spouse
192 of such individual at a rate of four and one-half per cent of the sales price
193 of such vehicle, provided such retailer requires and maintains a
194 declaration by such individual, prescribed as to form by the
195 commissioner and bearing notice to the effect that false statements made
196 in such declaration are punishable, or other evidence, satisfactory to the
197 commissioner, concerning the purchaser's state of residence under 50
198 App USC 574;

199 (D) (i) With respect to the acceptance or receipt in this state of labor
200 that is otherwise taxable under subparagraph (C) or (G) of subdivision
201 (2) of subsection (a) of section 12-407 on existing vessels and repair or
202 maintenance services on vessels occurring on and after July 1, 1999, such
203 services shall be exempt from such tax;

204 (ii) (I) With respect to the storage, acceptance or other use of a vessel
205 in this state, at the rate of two and ninety-nine-hundredths per cent,
206 except that such storage, acceptance or other use shall be exempt from
207 such tax if such vessel is docked in this state for sixty or fewer days in a
208 calendar year;

209 (II) With respect to the storage, acceptance or other use of a motor for
210 a vessel or a trailer used for transporting a vessel in this state, at the rate
211 of two and ninety-nine-hundredths per cent;

212 (III) With respect to the storage, acceptance or other use of dyed diesel
213 fuel, as defined in subsection (d) of section 12-487, exclusively for
214 marine purposes, at the rate of two and ninety-nine-hundredths per
215 cent;

216 (E) (i) With respect to the acceptance or receipt in this state of
217 computer and data processing services purchased from any retailer for
218 consumption or use in this state occurring on or after July 1, 2001, at the
219 rate of one per cent of such services, and (ii) with respect to the
220 acceptance or receipt in this state of Internet access services, on and after
221 July 1, 2001, such services shall be exempt from such tax;

222 (F) With respect to the acceptance or receipt in this state of patient
223 care services purchased from any retailer for consumption or use in this
224 state for which payment is received by the hospital on or after July 1,
225 1999, and prior to July 1, 2001, at the rate of five and three-fourths per
226 cent and on and after July 1, 2001, such services shall be exempt from
227 such tax;

228 (G) With respect to the rental or leasing of a passenger motor vehicle
229 for a period of thirty consecutive calendar days or less, at a rate of nine
230 and thirty-five-hundredths per cent;

231 (H) With respect to the acceptance or receipt in this state of (i) a motor
232 vehicle for a sales price exceeding fifty thousand dollars, at a rate of
233 seven and three-fourths per cent on the entire sales price, (ii) jewelry,
234 whether real or imitation, for a sales price exceeding five thousand
235 dollars, at a rate of seven and three-fourths per cent on the entire sales
236 price, and (iii) an article of clothing or footwear intended to be worn on
237 or about the human body, a handbag, luggage, umbrella, wallet or
238 watch for a sales price exceeding one thousand dollars, at a rate of seven
239 and three-fourths per cent on the entire sales price. For purposes of this

240 subparagraph, "motor vehicle" has the meaning provided in section 14-
241 1, but does not include a motor vehicle subject to the provisions of
242 subparagraph (C) of this subdivision, a motor vehicle having a gross
243 vehicle weight rating over twelve thousand five hundred pounds, or a
244 motor vehicle having a gross vehicle weight rating of twelve thousand
245 five hundred pounds or less that is not used for private passenger
246 purposes, but is designed or used to transport merchandise, freight or
247 persons in connection with any business enterprise and issued a
248 commercial registration or more specific type of registration by the
249 Department of Motor Vehicles;

250 (I) With respect to the acceptance or receipt in this state of meals, as
251 defined in subdivision (13) of section 12-412, sold by an eating
252 establishment, caterer or grocery store; and spirituous, malt or vinous
253 liquors, soft drinks, sodas or beverages such as are ordinarily dispensed
254 at bars and soda fountains, or in connection therewith; in addition to the
255 tax imposed under subparagraph (A) of this subdivision, at the rate of
256 one per cent;

257 (J) (i) For calendar quarters ending on or after September 30, 2019, the
258 commissioner shall deposit into the regional planning incentive
259 account, established pursuant to section 4-66k, six and seven-tenths per
260 cent of the amounts received by the state from the tax imposed under
261 subparagraph (B) of this subdivision and ten and seven-tenths per cent
262 of the amounts received by the state from the tax imposed under
263 subparagraph (G) of this subdivision;

264 (ii) For calendar quarters ending on or after September 30, 2018, the
265 commissioner shall deposit into the Tourism Fund established under
266 section 10-395b ten per cent of the amounts received by the state from
267 the tax imposed under subparagraph (B) of this subdivision;

268 (K) (i) For calendar months commencing on or after July 1, 2021, but
269 prior to July 1, 2023, the commissioner shall deposit into the municipal
270 revenue sharing account established pursuant to section 4-66l seven and
271 nine-tenths per cent of the amounts received by the state from the tax

272 imposed under subparagraph (A) of this subdivision, including such
273 amounts received on or after July 1, 2023, attributable to the fiscal year
274 ending June 30, 2023; and

275 (ii) For calendar months commencing on or after July 1, 2023, the
276 commissioner shall deposit into the Municipal Revenue Sharing Fund
277 established pursuant to section 4-66p seven and nine-tenths per cent of
278 the amounts received by the state from the tax imposed under
279 subparagraph (A) of this subdivision; [and]

280 (L) (i) For calendar months commencing on or after July 1, 2017, the
281 commissioner shall deposit into said Special Transportation Fund seven
282 and nine-tenths per cent of the amounts received by the state from the
283 tax imposed under subparagraph (A) of this subdivision;

284 (ii) For calendar months commencing on or after July 1, 2018, but
285 prior to July 1, 2019, the commissioner shall deposit into the Special
286 Transportation Fund established under section 13b-68 eight per cent of
287 the amounts received by the state from the tax imposed under
288 subparagraphs (A) and (H) of this subdivision on the acceptance or
289 receipt in this state of a motor vehicle;

290 (iii) For calendar months commencing on or after July 1, 2019, but
291 prior to July 1, 2020, the commissioner shall deposit into the Special
292 Transportation Fund established under section 13b-68 seventeen per
293 cent of the amounts received by the state from the tax imposed under
294 subparagraphs (A) and (H) of this subdivision on the acceptance or
295 receipt in this state of a motor vehicle;

296 (iv) For calendar months commencing on or after July 1, 2020, but
297 prior to July 1, 2021, the commissioner shall deposit into the Special
298 Transportation Fund established under section 13b-68 twenty-five per
299 cent of the amounts received by the state from the tax imposed under
300 subparagraphs (A) and (H) of this subdivision on the acceptance or
301 receipt in this state of a motor vehicle;

302 (v) For calendar months commencing on or after July 1, 2021, but

303 prior to July 1, 2022, the commissioner shall deposit into the Special
304 Transportation Fund established under section 13b-68 seventy-five per
305 cent of the amounts received by the state from the tax imposed under
306 subparagraphs (A) and (H) of this subdivision on the acceptance or
307 receipt in this state of a motor vehicle; and

308 (vi) For calendar months commencing on or after July 1, 2022, the
309 commissioner shall deposit into the Special Transportation Fund
310 established under section 13b-68 one hundred per cent of the amounts
311 received by the state from the tax imposed under subparagraphs (A)
312 and (H) of this subdivision on the acceptance or receipt in this state of a
313 motor vehicle; and

314 (M) For calendar quarters ending on or after September 30, 2024, the
315 commissioner shall deposit into the tourism public safety account
316 established under section 4 of this act twenty-five per cent of the
317 amounts received by the state from the tax imposed under
318 subparagraph (B) of this subdivision and twenty-five per cent of the
319 amounts received by the state from the tax imposed under
320 subparagraph (I) of this subdivision.

321 Sec. 3. (NEW) (*Effective July 1, 2024*) Not later than August 1, 2025,
322 and annually thereafter, the Commissioner of Revenue Services shall (1)
323 determine the amount of the tax collected pursuant to subparagraphs
324 (B) and (I) of subdivision (1) of section 12-408 of the general statutes, as
325 amended by this act, and subparagraphs (B) and (I) of subdivision (1) of
326 section 12-411 of the general statutes, as amended by this act, in the prior
327 fiscal year that is attributable to each municipality in the state, based on
328 the location where the sales subject to such taxes occurred, and (2) report
329 the results of such determination to the Commissioner of Emergency
330 Services and Public Protection.

331 Sec. 4. (NEW) (*Effective July 1, 2024*) (a) There is established an account
332 to be known as the "tourism public safety account" which shall be a
333 separate, nonlapsing account within the General Fund. The account
334 shall contain any moneys required by law to be deposited in the account.

335 Moneys in the account shall be expended by the Commissioner of
 336 Emergency Services and Public Protection for the purposes of providing
 337 grants to municipalities pursuant to subsection (b) of this section.

338 (b) Not later than September 1, 2025, and annually thereafter, the
 339 commissioner shall distribute a grant to each municipality identified in
 340 the report annually submitted to the commissioner, pursuant to section
 341 3 of this act, in an amount that is equal to twenty-five per cent of the
 342 amount identified in such report as the tax attributable to such
 343 municipality. Such grants shall be used by such municipalities for the
 344 provision of fire, police and emergency services to support and manage
 345 tourism in such municipalities.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2024, and applicable to sales occurring on or after July 1, 2024</i>	12-408(1)
Sec. 2	<i>July 1, 2024, and applicable to sales occurring on or after July 1, 2024</i>	12-411(1)
Sec. 3	<i>July 1, 2024</i>	New section
Sec. 4	<i>July 1, 2024</i>	New section

Statement of Legislative Commissioners:

In Sections 1 and 2, the effective date was changed from "July 1, 2024" to "July 1, 2024, and applicable to sales occurring on or after July 1, 2024" for consistency with standard drafting conventions; and in Section 4, "in relation to" was changed to "to support and manage" for clarity.

PS *Joint Favorable Subst. -LCO*